

NONCONFIDENTIAL // EXTERNAL

Robert E. Feldman, Executive Secretary
Attention: Comments/Legal Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429
Via Email: comments@FDIC.gov

Ann E. Misback, Secretary Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW Washington, DC 20551
Via Email: regs.comments@federalreserve.gov

Legislative and Regulatory Activities Division Office of the Comptroller of
the Currency
400 7th Street SW, Suite 3E-218 Washington, DC 20219
Via Email: regs.comments@occ.treas.gov

Re: RIN 3064-AE91; Docket ID OCC-2018-0040; Docket No. R-1638

Ladies and Gentlemen:

I could not agree more with the attached letter of Senators Moran and
Crapo.

I am chairman of Texas Heritage Bank (total assets of \$150 million) and a
founding director of Liberty Capital Bank (total assets of a little less
than \$300 million).

Frankly, the boards of both of our two banks have discussed what course of
action we will follow if the approved standard is 9% vs 8%. At 9% we will
ignore the new standard and stick with the current rules. At 8% we will
move to the new rules. From my 45 years of experience in community banking,
I am confident that in-the-field examiners will not allow a community bank
to have insufficient capital without sounding the alarm loud and clear to
the bank's directors that the bank needs more capital.

The paucity of de novo banks over the past 10 years speaks strongly to the
unattractiveness of the return-on-equity bank shareholders are receiving
due to the high equity-to-assets community banks are being asked to
maintain and because of the high cost of bank regulation. Banks have
historically high levels of equity today, not out of desire, but, because
of the verbal persuasion of bank examiners and the desire of community
bankers to avoid examiner criticism. That's the true from the field.

Thank you for considering my comments. I will be pleased to add additional
color to my remarks if you desire to give me a call (325.675.0400).

Sincerely,

Jack Griggs
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